

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6718**  
**BILL NUMBER: SB 282**

**NOTE PREPARED: Feb 2, 2015**  
**BILL AMENDED:**

**SUBJECT:** Unclaimed Property Act and Savings Bonds.

**FIRST AUTHOR:** Sen. Walker  
**FIRST SPONSOR:** Rep. Wesco

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill provides that, for purposes of the law concerning unclaimed property, United States savings bonds are presumed abandoned three years after the date the bonds stop earning interest. It provides that all property rights and legal title to United States savings bonds and proceeds from the bonds vest solely in the state.

The bill requires the Attorney General to: (1) collect any United States savings bonds escheated to the state, including any proceeds from the bonds; and (2) transfer all money received to the Treasurer of State for deposit in the abandoned property fund. It allows a person who wishes to make a claim for a United States savings bond escheated to the state to file a claim with the Attorney General.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** This bill could increase the administrative workload for the Unclaimed Property Division in the Attorney General's Office. The Attorney General's current level of resources should be sufficient to implement these requirements.

**Explanation of State Revenues:** The bill could increase the amount deposited in the Abandoned Property Fund. This could lead to an increase in the amount transferred to the state General Fund starting in FY 2016. The fiscal impact is indeterminable.

A similar change in the law in the state of Kansas, led to the state receiving \$861,908 from the U.S. Treasury as the result of a lawsuit filed by the state requesting payment for noninterest-earning matured U.S. savings bonds found in unclaimed safe deposit boxes in Kansas.

The bill specifies the time frame for a U.S. savings bond that has reached final maturity and stopped drawing interest to be considered abandoned property. The bill will allow the Attorney General to maintain an action in the court of competent jurisdiction to receive legal title to U.S. savings bonds considered abandoned under the bill. In absence of the bill, the U.S. Treasury would likely refuse to redeem the bonds without approval from the original owner or legitimate heir.

*Additional Information:* Under current law, intangible and certain tangible property held by business associations or financial institutions is to be presumed abandoned, depending upon the asset type, a defined number of years after the last owner contact and is subsequently remitted to the Attorney General. All funds received are placed in the Abandoned Property Fund. A claimant can recover the value of the property for up to 25 years. If the balance in the Abandoned Property Fund exceeds \$500,000, the excess is transferred to the state General Fund. Interest earned on investment of the fund is transferred to the state General Fund. The table below shows the amount deposited in Abandoned Property Fund for each of the past five fiscal years.

Fiscal Year	Amount Deposited in the Abandoned Property Fund
FY 2010	\$55.6 M
FY 2011	\$77.1 M
FY 2012	\$103.3 M*
FY 2013	\$105.8 M*
FY 2014	\$111.2 M
* The increases in revenue for these years are attributable to P.L. 64-2010, which reduced from 5 years to 3 years the amount of time that property is considered abandoned for the purpose of Unclaimed Property Act.	

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General.

**Local Agencies Affected:**

**Information Sources:** Kansas Treasurer's Media Release:  
<https://www.kansasstatetreasurer.com/prodweb/news/mr-2014-01-14.php>

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